

THE STATE OF SÃO PAULO
OPENS LOTS OF
POSSIBILITIES **UP**
FOR ICT COMPANIES



São Paulo, the Information and Communications Technology investment hub in Brazil

The Information and Communications Technology (ICT) market weighs heavily in the State and Brazilian economies. In 2013, the sector accounted for 8.8% of the domestic GDP, and, in 2022, the forecast is that it will grow to 10%, increasing even more the business opportunities in the State.

SOME OF THE FACTORS THAT MAKE SÃO PAULO THE ICT HUB IN BRAZIL ARE:

- Its diversified economy
- The concentration of corporate headquarters
- The supply of skilled labor and the strength of sectors such as industries, services and agribusiness

To illustrate the preference of foreign investors for São Paulo, we just have to look at the following data:

Over 70% of foreign capital invested in ICT in Brazil is applied in the State.

16 of the 23 ICT multinationals installed in the country are headquartered in São Paulo.

The State capital is one of the world's largest business hubs. More than 50% of Latin American headquarters of multinational companies, of various fields of activity, have chosen the city as their operation center.

Companies like IBM, LinkedIn, Twitter, Telefonica and Baidu have regional offices in São Paulo. This rich business environment also favors the development of a comprehensive system where technology companies, consulting firms and startups proliferate.

Enjoy all business opportunities that this entire ecosystem has to offer. In São Paulo, your company works in plug and play mode.

US\$ 205 billion was the Brazilian turnover in 2013

40,828 jobs created in São Paulo State (from 2003 to 2013)

MEDIUM TO HIGH GROWTH RATES FORECASTED IN BRAZIL ITC MARKET

Subsector

Growth expectation (2015-2020, nominal, 5yr annual average)



Information Technology services

7-8 % - High



Telecommunications

8-9 % - High



Software & Web

7-8 % - High



Electronic components

5-6 % - Medium to high



Precision & optical Instruments

6-7 % - High



Communication equipment

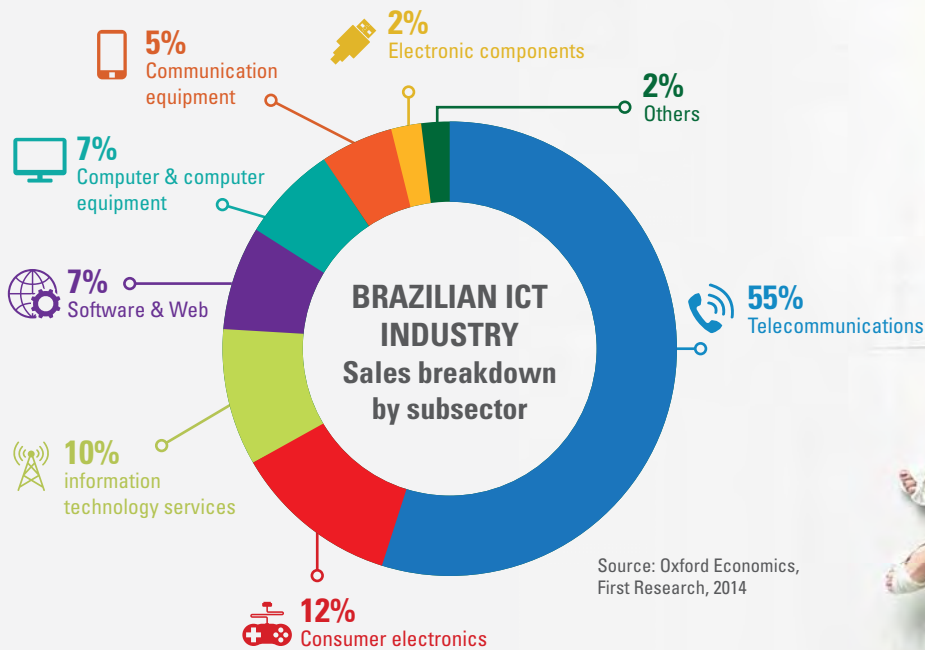
4-5 % - Medium



Consumer electronics

4-5 % - Medium

Source: Oxford Economics, First Research, 2014



Source: Oxford Economics, First Research, 2014

13.200

10.663

FDI IN SP: JOBS CREATED BY TOP ORIGIN COUNTRIES (2003 - 2013)

3.415

2.705

2.070

1.715

1.355

1.280

1.105

Source: IBM-PLI GILD, 2014



Taiwan

United States

Spain

Italy

China

Germany

Sweden

South Korea

Switzerland



One State, multiple options

Aiming at providing high quality support to our customers, Investe São Paulo, with the support from Apex-Brazil, has mapped the investment opportunities in the Information and Communications Technology sector.

The study results showed São Paulo's strength. In sectors as information technology services, software & web and electronic components, the cities in the State of São Paulo offer excellent conditions and opportunities for new companies to establish.

Based on the average score for attractiveness of foreign investments, the metropolitan area of São Paulo competes directly with New York, London and Bangalore, which are references in attracting ICT investment.

São Paulo city and
it's metropolitan region
compete directly with New
York, London and Bangalore

Campinas, Jundiaí and São José dos Campos are cities that have become important technology and communication hubs, as they manifest a high concentration of skilled labor, excellent business opportunities with interrelated sectors of the economy, and are close to the capital.

Araraquara, Ribeirão Preto, São Carlos, Sorocaba and Taubaté are cities that have shown rapid economic growth in the industry and have implemented measures to promote new businesses in their territories.

Ribeirão Preto

Araraquara

São Carlos

Campinas

Taubaté

Jundiaí

Sorocaba

São José
dos Campos

São Paulo
Metropolitan Region



IT and software sector in Brazil by number of companies



São Paulo: synonym of success in Information Technology Services (ITS)

ITS is a large and dynamic sector, encompassing R&D, database storage and consulting activities. Investment projects require skilled labor, a relevant customer base, favorable business environment and good connectivity with other global technology hubs.

The metropolitan region of São Paulo offers all these features besides having an advanced policy to attract companies in the Information Technology sector. Housing the most important university in Brazil, Universidade de São Paulo – USP, and other quality educational institutions, the region is a hotbed of experienced and qualified professionals. With a well-established market and a great growth potential, the city is the certainty that the investment will achieve the desired return.

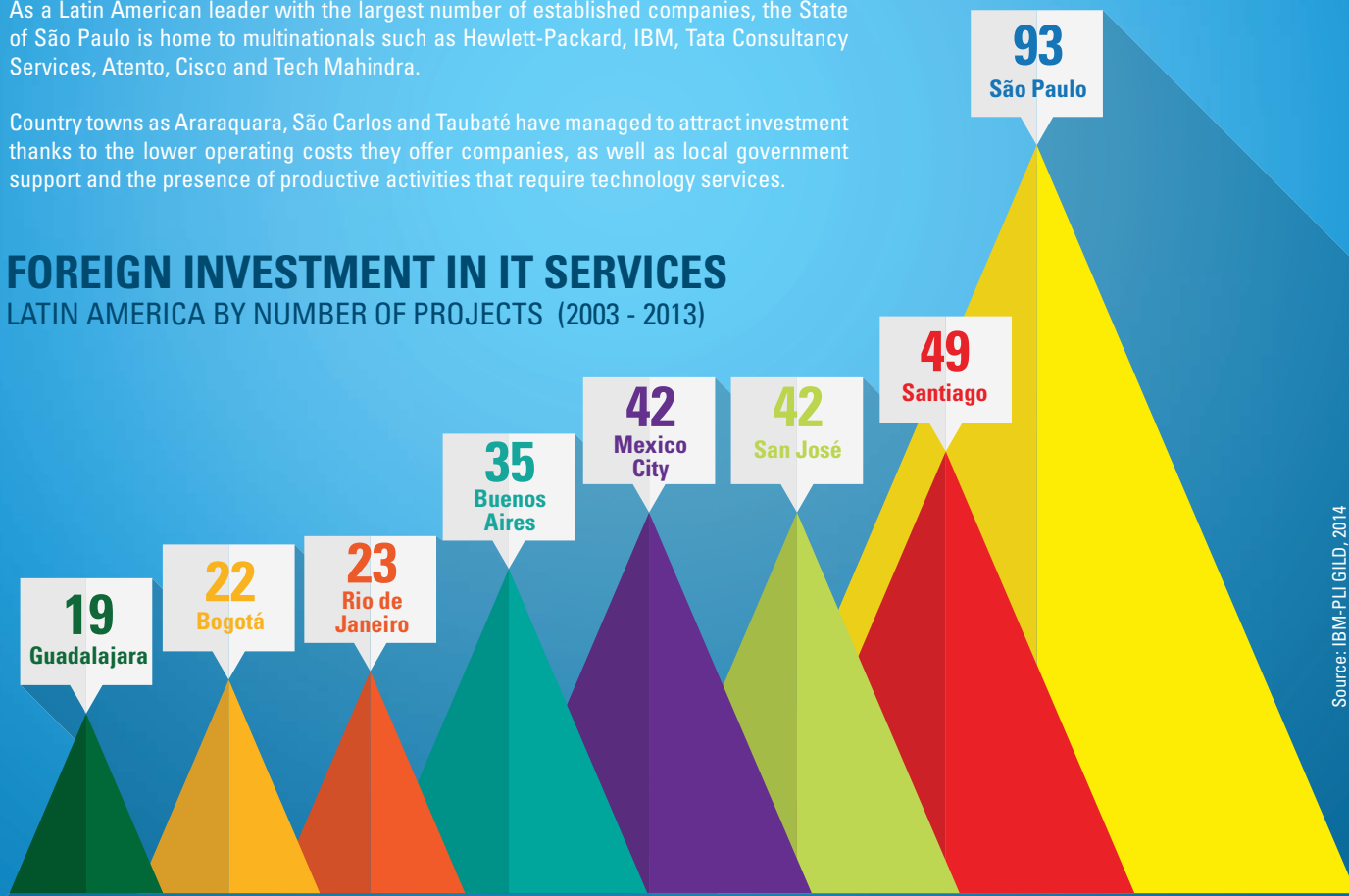
As a Latin American leader with the largest number of established companies, the State of São Paulo is home to multinationals such as Hewlett-Packard, IBM, Tata Consultancy Services, Atento, Cisco and Tech Mahindra.

Country towns as Araraquara, São Carlos and Taubaté have managed to attract investment thanks to the lower operating costs they offer companies, as well as local government support and the presence of productive activities that require technology services.

Leadership in Latin America in number of IT Companies

FOREIGN INVESTMENT IN IT SERVICES

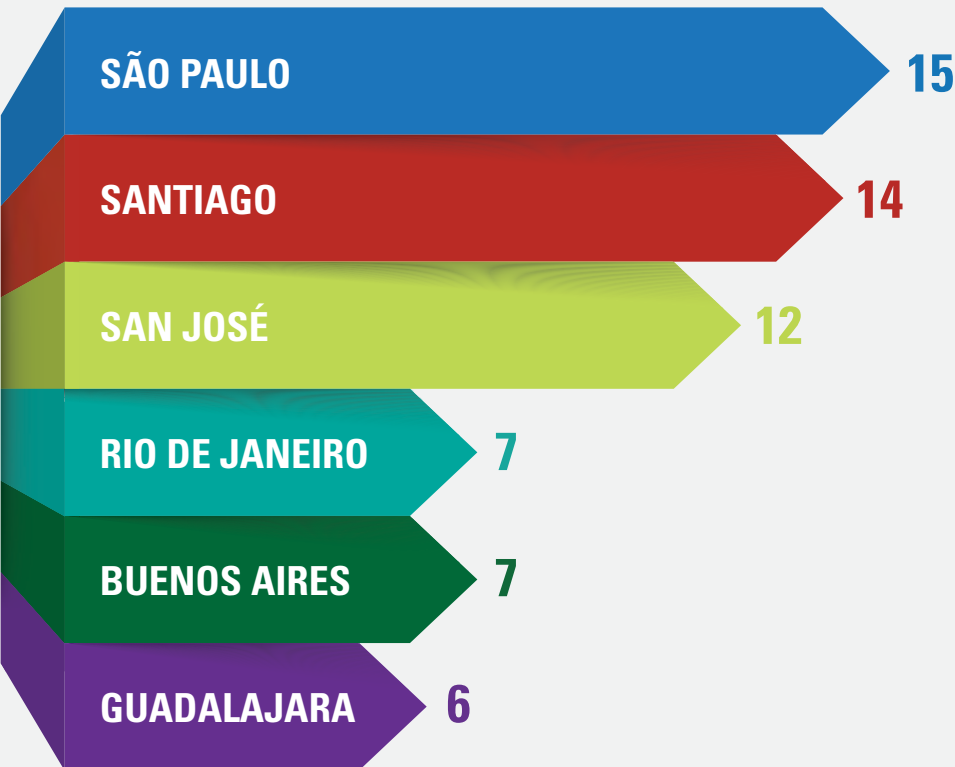
LATIN AMERICA BY NUMBER OF PROJECTS (2003 - 2013)



A 44 million people market waiting for Software and Web solutions

Featuring one of the largest growth potentials, this market requires high-performance professionals qualified in researching and developing new solutions. Creativity is one of the watchwords in this area and people of São Paulo are recognized for their creative capacity. The State already has a strong presence of software package and system development companies. New opportunities for the development of custom software, analysis solutions, mobile and social applications are constantly arising.

FOREIGN INVESTMENT IN IT SERVICES LATIN AMERICA BY NUMBER OF PROJECTS (2003 - 2013)



In **São Paulo**
you get creativity
and entrepreneurship
at your disposal

With a population of over 44 million, the cities in São Paulo provide great market opportunities for businesses in the area. The companies here are able to have hassle-free contact with end users and companies in other business sectors, such as renewable energy, agriculture and financial services.

Close to the capital, with quick access to the country towns and with an international airport, the city of Campinas and its metropolitan area is an important option for companies interested in starting operations in Brazil.

Universidade Estadual de Campinas (Unicamp) is recognized for its IT research and supplies the market with high-level professionals. Several innovation and research hubs add to this environment of highly favorable conditions that attract technology companies.

Produce your electronics here and you will have easy access to Latin America markets

Take advantage of **tax incentives** to export your production.

The electronic components assembly is the largest ICT sector, accounting for 25% of total foreign investments in information technology worldwide. In view of the continuous development of new technologies, constant improvement of products and industrial plants with intensive investment, it attracts investors seeking optimum return.

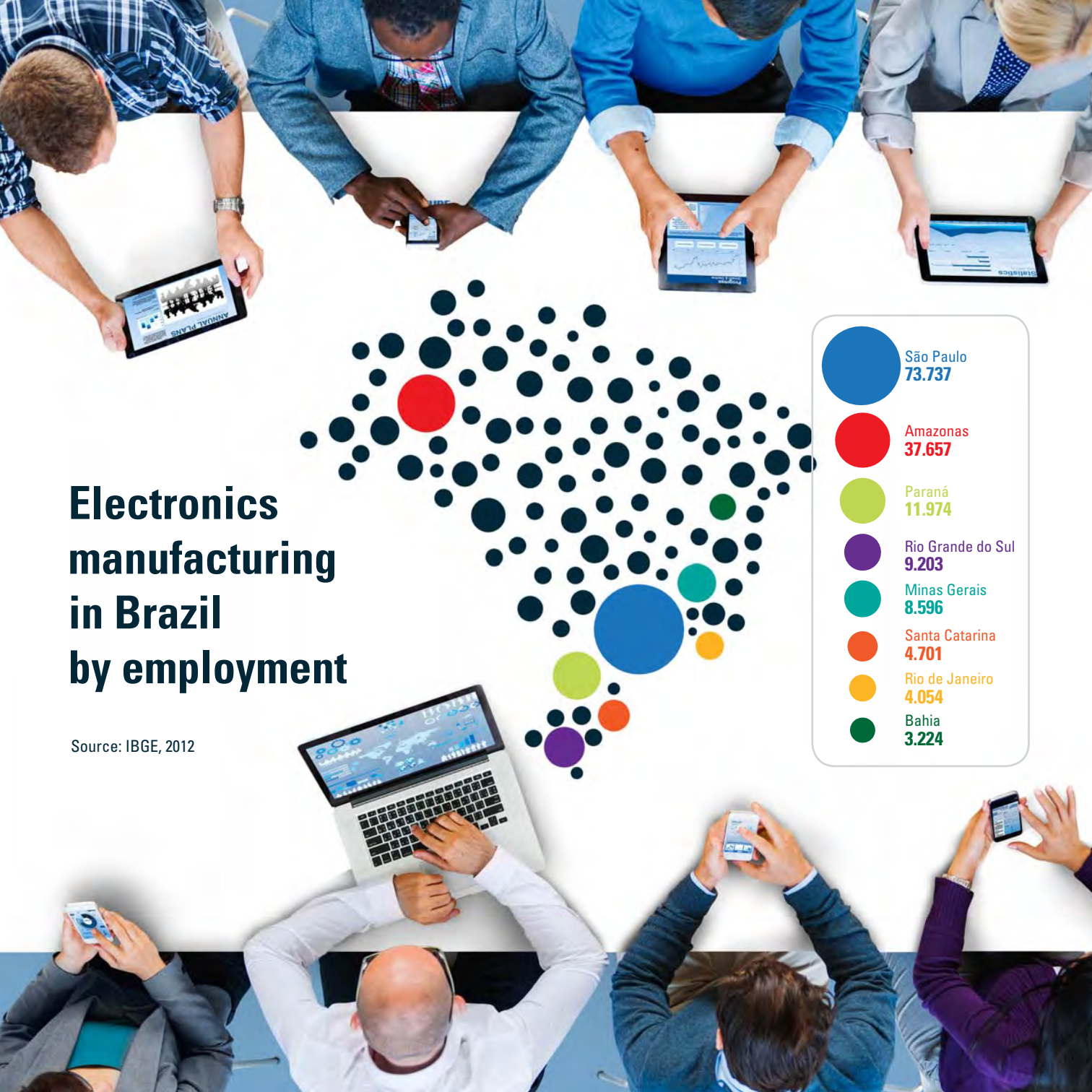
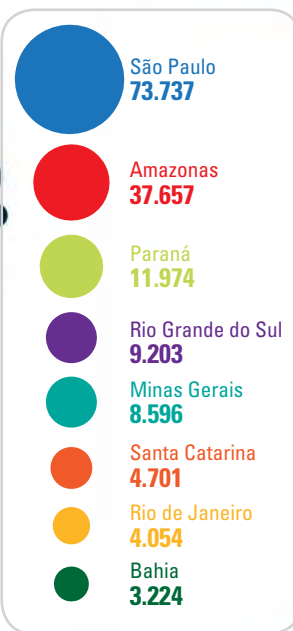
The State of São Paulo has a strong presence of electronic equipment assemblers. Consolidating its leading position, new business opportunities in microelectronic design and prototype manufacturing have been developed. The business environment also offers great opportunities for companies involved with new 3D printing technologies and robotics.

São Paulo has many strengths for attracting investments. Cities like Jundiaí, Sorocaba and São José dos Campos, for example, offer easy access to end markets, experienced workers and low operating costs compared to other global locations like Singapore and Austin.

In order to companies settling here to increase competitiveness and export products, the State has a tax exemption policy for the sector. Therefore, large multinationals such as Hon Hai Precision Industry / Foxconn, Samsung, LG Electronics, Jabil Circuit, Bosch, Sanmina and Datalogic have chosen to open production plants in the State.

Electronics manufacturing in Brazil by employment

Source: IBGE, 2012



5 Reasons to Choose São Paulo

1 HIGHLY SKILLED PROFESSIONALS

São Paulo's higher education network consists of more than 590 educational institutions that empower over 1.6 million students. The institutions maintained by the State of São Paulo are among the world's best according to various international rankings.

- A.** Universidade de São Paulo (USP): is among the world's top 50 universities, in eight areas of knowledge, according to the British company Quacquarelli Symonds (QS);
- B.** Universidade de Campinas (UNICAMP): is among the world's top 50 universities under 50 years, according to the Times Higher Education World University;
- C.** Universidade Estadual Paulista (UNESP): is among Latin America's top 10 universities according to the British company Quacquarelli Symonds (QS).

2 BRAZILIAN STATE WITH THE BEST HDI

55 of the 100 Brazilian cities with better HDI are in São Paulo

3 STRATEGIC LOCATION

São Paulo is the state with the best infrastructure in Brazil and is located in a region that connects the North and the South of the country, with a logistics network that facilitates access to other markets in Latin America:

- A.** The metropolitan area of São Paulo is the third largest urban agglomeration in the world and the major hub of industrial activities, services and trade nationwide;
- B.** The country towns account for more than 50% of consumer goods and services in the State;
- C.** The State is home of two to international and 29 local airports;
- D.** The 20 best roads in the country pass through the State;
- E.** Home of Santos Port, the largest port in Latin America.

4 SYNERGY WITH OTHER MARKETS

Accounting for 30% of the domestic GDP, São Paulo is one of the largest markets in Latin America.

- A.** The capital is the country's financial hub;
- B.** The State is the largest producer of orange juice and sugarcane ethanol;
- C.** The world's 3rd largest aircraft manufacturer;
- D.** 43% of the domestic automotive production is in the State;
- E.** So are 43% of Brazilian pharmaceutical plants;
- F.** 56% of Brazilian production of computer equipment and peripherals are also in São Paulo.

5 ENCOURAGING THE INDUSTRY

Companies have access to state and federal tax relief programs for their investment. At state level, investors have:

- A.** Pró Informática, aimed at facilitating the acquisition of capital goods;
- B.** Advantages for the acquisition of raw materials from an imported source or manufactured in São Paulo to be part of the final product;
- C.** Tax reduction in certain information technology products in domestic and interstate shipments.

Investe São Paulo, the support you need to invest in Brazil

The investment promotion agency of the State of São Paulo, Investe São Paulo, is the gateway for businesses wishing to settle in the State and stimulates the expansion of projects already taking place in São Paulo. It provides free services and strategic information to help investors find the best places to establish their enterprises.

THESE ARE SOME OF OUR SERVICES:



Identification of the best places for an investment according to the project needs



Interface with universities and research centers



Support in obtaining operating licenses



Collection of data on relevant sectors




Tax advise



Interaction with local, state and federal public entities

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